

Compliance with some parts of the rules does not require any CRS reprogramming. For example, travel agents, who still sell most air transportation, are in a position to begin providing some of this information by complying with the oral disclosure portions of the rules that already apply to carriers. We have therefore tentatively decided to dispose of the requests for postponement by granting them only insofar as necessary—i.e., by only postponing the effective date until March 15, 2000, for those parts of the rules with which carriers and ticket agents cannot fully comply until the CRSs have completed their reprogramming, as specified below. To this end, we are postponing the effective date of both rules until August 25, 1999, and giving interested parties fifteen days to submit comments on our tentative findings and the actions they contemplate. We will issue a final notice on or before August 25.

Accordingly, this document postpones the effective date of the Code-Sharing Rule, 14 CFR part 257, the Change-of-Gauge Rule, 14 CFR part 258, and the removal of 14 CFR 399.88, until August 25, 1999.

This document also invites comment on whether the effective date of certain parts of the rule should be further extended. In this regard, based on the petitions and public input received since parts 257 and 258 were adopted, the Department believes that the effective date of the following parts of the Code-Share Rule should not be further postponed:

- § 257.1 Purpose.
- § 257.2 Applicability.
- § 257.3 Definitions.
- § 257.4 Unfair and deceptive practice.
- § 257.5 Notice requirement.
  - (b) Oral notice to prospective consumers, but only insofar as compliance with this section does not require reprogramming by CRSs.<sup>8</sup>
  - (d) Advertising.

Similarly, the Department believes the effective date of the following parts of the Change-of-Gauge Rule should not be further postponed:

- § 258.1 Purpose.
- § 258.2 Applicability.
- § 258.3 Definitions.
- § 258.4 Unfair and deceptive practice.
- § 258.5 Notice requirement.
  - (a) Notice in schedules.
  - (b) Oral notice to prospective consumers.

<sup>8</sup>In other words, carriers, which are currently required to disclose code-share and change-of-gauge services in discussions with consumers, would be required as of August 25 to make these disclosures before booking transportation, and the same requirements would apply to travel agents. The new code-share and long-term wet-lease disclosures would not be required at this time.

However, if the Department views are not altered by the comments we are inviting here, the Department will take further action by August 25, 1999, to postpone the effective date of the following parts of the Code-Share Rule until March 15, 2000:

- § 257.5 Notice requirement.
  - (a) Notice in schedules.
  - (b) Oral notice to prospective consumers, except as specified in paragraph (1).
  - (c) Written notice.<sup>9</sup>

Similarly, we would postpone the effective date of the following part of the Change-of-Gauge Rule until March 15, 2000:

- § 257.5 Notice requirement.
  - (c) Written notice.

Finally, we believe that USTOA has shown good cause for the Department to refrain as a matter of discretion from enforcing both rules in their entirety against tour operators until six months after March 15, 2000.<sup>10</sup>

In closing, we strongly encourage the CRSs and other information systems to proceed with their reprogramming efforts with all possible expedition. Any affected parties that can comply with the rules before they become effective should do so. For example, while we are tentatively agreeing to postpone the effective date of both rules' written notice requirements, we are aware that some carriers and some travel agents are already disclosing much of the required information in the itineraries they provide to passengers, and we encourage all sellers of air transportation to do so who have the capability.

#### Regulatory Analyses and Notices

The Department has determined that this action is not an economically significant regulatory action under Executive Order 12866 or the Department's Regulatory Policies and Procedures, and it has not been reviewed by the Office of Management and Budget. This rule is significant under the Department's Regulatory Policies and Procedures because of congressional and public interest. The rule does not impose unfunded mandates or requirements that will have any effect on the quality of the human environment. A summary of the

<sup>9</sup>It is our understanding that carriers are already complying with those parts of the schedule notice requirement that go beyond 14 CFR 257.5(a) and the oral notice requirement imposes no new requirement on carriers.

<sup>10</sup>We tentatively find that imposing the same requirements on tour operators that those parts of the rules that are to take effect on August 25 will impose on travel agents would burden the tour operators excessively by forcing them to reprogram their front-end systems not once but twice.

regulatory analyses of the rules whose effective date is being extended here was published at 64 FR 12850–12851 and 12859, March 15, 1999. Also published there were discussions of the rules' effects on small businesses and their Federalism and Paperwork Reduction Act implications. Apart for the Y2K implications recently brought to light and addressed above, the determinations made previously are not significantly affected by the limited extensions of the effective date made and proposed here.

**Authority:** 49 U.S.C. 41712.

Issued in Washington, DC on July 9, 1999, under authority delegated by 49 CFR 1.56a(h)2.

**A. Bradley Mims,**

*Acting Assistant Secretary for Aviation and International Affairs.*

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## PENSION BENEFIT GUARANTY CORPORATION

### 29 CFR Part 4044

#### Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Final rule.

**SUMMARY:** The Pension Benefit Guaranty Corporation's regulation on Allocation of Assets in Single-Employer Plans prescribes interest assumptions for valuing benefits under terminating single-employer plans. This final rule amends the regulation to adopt interest assumptions for plans with valuation dates in August 1999. Interest assumptions are also published on the PBGC's web site (<http://www.pbgc.gov>).  
**EFFECTIVE DATE:** August 1, 1999.

**FOR FURTHER INFORMATION CONTACT:** Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202–326–4024. (For TTY/TDD users, call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4024.)

**SUPPLEMENTARY INFORMATION:** The PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) prescribes actuarial assumptions for valuing plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974.

Among the actuarial assumptions prescribed in part 4044 are interest

assumptions. These interest assumptions are intended to reflect current conditions in the financial and annuity markets.

Two sets of interest assumptions are prescribed, one set for the valuation of benefits to be paid as annuities and one set for the valuation of benefits to be paid as lump sums. This amendment adds to appendix B to part 4044 the annuity and lump sum interest assumptions for valuing benefits in plans with valuation dates during August 1999.

For annuity benefits, the interest assumptions will be 6.30 percent for the first 20 years following the valuation date and 5.25 percent thereafter. The annuity interest assumptions represent an increase (from those in effect for July 1999) of 0.30 percent for the first 20 years following the valuation date and are otherwise unchanged. For benefits to be paid as lump sums, the interest assumptions to be used by the PBGC will be 5.00 percent for the period during which a benefit is in pay status

and 4.00 percent during any years preceding the benefit's placement in pay status. The lump sum interest assumptions represent an increase (from those in effect for June 1999) of 0.50 percent for the period during which a benefit is in pay status and are otherwise unchanged.

The PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect, as accurately as possible, current market conditions.

Because of the need to provide immediate guidance for the valuation of benefits in plans with valuation dates during August 1999, the PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

The PBGC has determined that this action is not a "significant regulatory

action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

#### List of Subjects in 29 CFR Part 4044

Pension insurance, Pensions.

In consideration of the foregoing, 29 CFR part 4044 is amended as follows:

#### PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

1. The authority citation for part 4044 continues to read as follows:

**Authority:** 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

2. In appendix B, a new entry is added to Table I, and Rate Set 70 is added to Table II, as set forth below. The introductory text of each table is republished for the convenience of the reader and remains unchanged.

#### Appendix B to Part 4044—Interest Rates Used to Value Annuities and Lump Sums

TABLE I.—ANNUITY VALUATIONS

[This table sets forth, for each indicated calendar month, the interest rates (denoted by  $i_1, i_2, \dots$ , and referred to generally as  $i_t$ ) assumed to be in effect between specified anniversaries of a valuation date that occurs within that calendar month; those anniversaries are specified in the columns adjacent to the rates. The last listed rate is assumed to be in effect after the last listed anniversary date.]

For valuation dates occurring in the month—			The values of $i_t$ are:					
			$i_t$	for t =	$i_t$	for t =	$i_t$	for t =
*	*	*	*	*	*	*	*	*
August 1999			.0630	1–20	.0525	>20	N/A	N/A

TABLE II.—LUMP SUM VALUATIONS

[In using this table: (1) For benefits for which the participant or beneficiary is entitled to be in pay status on the valuation date, the immediate annuity rate shall apply; (2) For benefits for which the deferral period is  $y$  years (where  $y$  is an integer and  $0 < y \leq n_1$ ), interest rate  $i_1$  shall apply from the valuation date for a period of  $y$  years, and thereafter the immediate annuity rate shall apply; (3) For benefits for which the deferral period is  $y$  years (where  $y$  is an integer and  $n_1 < y \leq n_1 + n_2$ ), interest rate  $i_2$  shall apply from the valuation date for a period of  $y - n_1$  years, interest rate  $i_1$  shall apply for the following  $n_1$  years, and thereafter the immediate annuity rate shall apply; (4) For benefits for which the deferral period is  $y$  years (where  $y$  is an integer and  $y > n_1 + n_2$ ), interest rate  $i_3$  shall apply from the valuation date for a period of  $y - n_1 - n_2$  years, interest rate  $i_2$  shall apply for the following  $n_2$  years, interest rate  $i_1$  shall apply for the following  $n_1$  years, and thereafter the immediate annuity rate shall apply.]

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
*	*	*	*	*	*	*	*	*
70	08–1–99	09–1–99	5.00	4.00	4.00	4.00	7	8

Issued in Washington, DC, on this 8th day of July 1999.

**David M. Strauss,**

*Executive Director, Pension Benefit Guaranty Corporation.*

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